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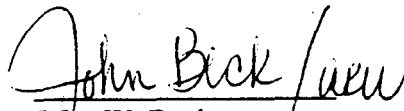
U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-0001

Millstone Nuclear Power Station, Unit Nos. 1, 2, and 3

Dear Sir:

Attached hereto is the Little Harbor Consultants, Inc. report for the third quarter of 1998 concerning the oversight of Northeast Utilities development of a safety conscious work environment at the Millstone Point Nuclear Station. The report covers the period from July 15 through October 31, 1998.

Sincerely,



John W. Beck
Team Leader, ITPOP
President, LHC

Attachment
cc: Distribution

U.S. Nuclear Regulatory Commission
Page 2, ITPOP 98-0028
Distribution:

<p>John Streeter, NNECo</p> <p>Harry L. Miller, NNECo</p> <p>William J. Temple, NNECo</p> <p>Susan Baranski, NNECo</p> <p>Cheryl Grise, NNECo</p> <p>Michael Quinn, ECOP</p> <p>U.S. Nuclear Regulatory Commission Attn: W.D. Travers Mail Stop: 014D4 Washington, DC 20555-0001</p> <p>U.S. Nuclear Regulatory Commission Attn: W.M. Dean Mail Stop: 014D4 Washington, DC 20555-0001</p> <p>U.S. Nuclear Regulatory Commission Attn: H.N. Pastis Mail Stop: 014D4 Washington, DC 20555-0001</p> <p>Mr. Wayne D. Lanning US NRC Region I 475 Allendale Road King of Prussia, PA 19406-1415</p> <p>Kevin T. A. McCarthy, Director Monitoring and Radiation Division Department of Environmental Protection 79 Elm Street Hartford, CT 06106-5127</p> <p>Allan Johanson, Assistant Director Office of Policy and Management Policy Development and Planning Division 450 Capitol Avenue — MS 52ERN P.O. Box 341441 Hartford, CT 06134-1441</p> <p>First Selectmen Town of Waterford Hall of Records 200 Boston Post Road Waterford, CT 06385</p>	<p>Charles Brinkman, Manager Washington Nuclear Operations ABB Combustion Engineering 12300 Twinbrook Pkwy, Suite 330 Rockville, MD 20852</p> <p>Mr. John Buckingham Department of Public Utility Control Electric Unit 10 Liberty Square New Britain, CT 06051</p> <p>Citizens Regulatory Commission ATTN: Ms. Susan Perry Luxton 180 Great Neck Road Waterford, CT 06385</p> <p>Citizens Awareness Network 54 Old Turnpike Road Haddam, CT 06438</p> <p>The Honorable Terry Concannon Nuclear Energy Advisory Council Legislative Office Building Hartford, CT 06106</p> <p>Mr. Evan W. Woollacott Co-Chair Nuclear Energy Advisory Council 128 Terry's Plain Road Simsbury, CT 06070</p> <p>Ernest C. Hadley, Esquire 1040 B Main Street P.O. Box 549 West Wareham, MA 02576</p> <p>Mr. Paul Choiniere "The Day" 47 Eugene O'Neill Drive New London, CT 06320</p> <p>Bob DeFayette 100 King Street Gettysburg, PA 17325</p> <p>Don Beckman 1071 State, Route 136 Belle Vernon, PA 15012</p>
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QUARTERLY REPORT OF LITTLE HARBOR CONSULTANTS TO THE NUCLEAR REGULATORY COMMISSION

Concerning Oversight of Northeast Utilities' Development of a Safety Conscious Work Environment at Millstone Point Nuclear Station for the Period July 15-October 31, 1998

Pursuant to an order issued by the Nuclear Regulatory Commission (NRC) on October 24, 1996 and its Oversight Plan approved by the NRC on July 14, 1997, Little Harbor Consultants (LHC) has been overseeing the efforts of Northeast Utilities (NU) and its subsidiary Northeast Nuclear Energy Company (NNECo) to develop a Safety Conscious Work Environment (SCWE) at its Millstone Point Nuclear Station (Millstone). Under this program, LHC submits quarterly reports to the NRC on the status and progress of this process.

This report covers the period from July 15 through October 31, 1998.

I. SUMMARY

Millstone Unit 3 returned to service, the retirement of Millstone 1 was announced, and a station-wide organizational realignment and downsizing was announced. LHC completed reviews of the Employee Concerns and Corrective Action programs along with periodic updates of its assessment of the "status of SCWE" to the NRC, and continued a ramping-down of its own level of activity as the station resumed normal operation. Despite one significant event, the "status of SCWE" was judged to be at a level of performance supportive of continued operation of the Millstone reactors.

II. SIGNIFICANT EVENTS DURING THE THIRD QUARTER

During this quarter a series of events took place that marked significant progress toward return of the Millstone station to normal operation and toward restructuring for operation in a competitive environment. With the NRC's approval, Unit 3 was restarted on July 6, and achieved full power on July 15. Within the following week, NU announced decisions to close Millstone Unit 1 permanently and to shift resources from that unit to Unit 2, to effect a high-level management restructuring, and to repurchase a portion of outstanding NU stock. Unit 3 returned to the regulatory rate base. At the end of July, NU announced a small profit for the quarter, after a series of quarterly losses. Millstone units 2 and 3 remained on the NRC's semiannual "Watch List," issued July 30, with Unit 2 still classified as a "Category 3" plant, meaning that explicit Commission approval would be needed to authorize its restart. On August 5, the NRC announced that it had closed a series of investigations into potential wrongdoing at the site without having been able to substantiate the allegations; and some two weeks later, on August 22, the NRC

closed the Special Projects Office for Millstone, through which it had exerted intense scrutiny of the station over the previous two years, and announced its return to normal review of the plant through its regional office.

At the end of August, the NNECo President and CEO, Bruce Kenyon, announced that a site-wide reorganization would take place after the restart of Millstone Unit 2, now slated for early 1999, and began the process of developing and publicizing a series of rules to ensure that the competition for remaining positions would be conducted in a fair and rigorous fashion. Under this program, to be known as the Leadership Selection Process of an Organizational Realignment Program, the number of management positions at the site would be reduced over a period of years to just slightly more than half the current number. All management jobs below the level of vice president would be open to competition in a "cascade" from more senior to less; NNECo would fill one level at a time, selecting and interviewing up to four highly qualified persons for each position. Persons not currently at Millstone would not be considered unless no qualified, current Millstone employee was found for a position. ✓

Against this background, LHC's activities have shifted toward a phase-out mode. LHC focused attention on observing whether the substantial efforts made by NNECo at the plant to instill a safety-conscious work environment had taken firm root; and on presumptively close-out reviews of the plant's Corrective Action Program (CAP), its Employee Concerns Program (ECP), and the status of files alleging harassment, intimidation, retaliation or discrimination (HIRD) involving personnel at the plant. LHC presented its latest snapshot findings at meetings with the NRC staff on July 15 and August 27. Summaries of the reports on CAP and ECP are attached to this report, and a further update on HIRD case reviews is attached.

III. PRINCIPAL AREAS OF LHC ACTIVITY DURING THE THIRD QUARTER

a. Programmatic Reviews

During the third quarter, LHC completed presumptively final reviews of the Millstone Point Corrective Action Program and the Employee Concerns Program. These reviews are summarized in Attachments 1 and 2. In summary, LHC found as follows:

1. CAP Report

This is the third and final report in a series of three reports on the CAP. The first report focused on the overall structure and process of the CAP. The second focused on the implementation of the CAP at Unit 3 prior to its restart. The third report (Attachment 1 hereto) focuses on implementation of the CAP at Unit 2 prior to its restart. LHC members reviewed significant samples of Level 1 and Level 2 CRs, attended CAP meetings, interviewed pertinent personnel and reviewed the current version of the basic CAP directive, procedure RP-4. LHC found that the CAP for Unit 2 was functioning adequately to support startup. The report reaches four conclusions, focusing on the historic backlog of CRs, the resource-intensiveness of the

program, the need for continued focus on the importance of the CAP and the need to ensure adequate training for personnel preparing root cause analyses.

These conclusions have been communicated to Unit 2 management.

2. ECP Report

This report, based on observations during early September 1998, is the latest in a continuing series of reports on the Millstone Point ECP. The observations included a review of a wide range of ECP-related documentation; interviews with ECP staff members, ECP "customers", and others; and observations of ECP-related meetings. In general, the report concludes that the ECP at Millstone continues to function effectively and with increasing maturity and respect on the site. The report reaches various conclusions, focusing on the continuing relatively high level of substantiated HIRD incidents, the need to plan for station realignment, and the desirability of acting on certain pending suggestions for further ECP improvement.

These conclusions have been communicated to ECP management.

3. HIRD Case Review

LHC has completed its third review, extending through August 1998, of HIRD incidents and allegations and the response of Millstone's ECP to them. It is Attachment 3 to this report. In general, the current review finds continuing improvement in the quality of responses to HIRD incidents and allegations, including establishment of standards, conduct of investigations and audits, and management actions. These have resulted in progress in the areas of employee confidence and trust in management. However, the number of alleged incidents remains relatively high, and implementation of these improvements is still somewhat inconsistent. The extent of employee reaction to the "Voicemail incident" (see item "c" below) reveals the continuing fragility of this progress. LHC believes it is unlikely that employee trust and confidence will be fully re-established within the current calendar quarter.

The review contains six recommendations, all of which have been communicated to NNECo management.

b. Observations of the Apparent Status of SCWE

LHC also has observed, as an ongoing matter, the extent to which a safety-conscious work environment appears to have taken root at Millstone. These observations have taken place through regular and ad hoc meetings with Millstone management; through the reviews of the CAP and the ECP, and the status of HIRD files; and through NNECo's handling of pending incidents and alleged incidents. As reflected in its most recent "Windows" update (see discussion at ¶ IV. below and Attachments 4 and 5), the status of safety-consciousness at the Millstone site remains at or above the LHC evaluation objectives for resumption of operations.

c. "Voice Mail Incident"

LHC also observes, by a variety of means, incidents alleged to be inconsistent with a safety-conscious work environment. The most prominent such incident occurring during the current quarter involved a voice mail message sent by Dave Amerine, then Vice President of Human Services, on the afternoon of September 18 and intended for two other members of Millstone management. The message named a specific individual, not a Millstone employee but one whom Mr. Amerine believed to be highly qualified, as an example of the kind of person who would be a desirable nominee for the new position of Industrial Safety Supervisor (ISS) at the site, and described various aspects of the individual's qualifications. The message also was deposited, inadvertently, in the voice mailbox of an unintended recipient who became concerned, upon hearing it, that it might represent potential evidence of an evasion or undermining of the realignment process discussed above. The unintended recipient took his concern the next day to the ECP office.

The message was apparently classically ambiguous. It could have been interpreted (as Mr. Amerine, who was deeply embarrassed and chagrined by the incident, consistently contended) as an unfortunately phrased effort to illustrate characteristics appropriate for the ISS job; it also has been interpreted (as some on site feared) to mean that Mr. Amerine believed that the named individual should be hired without any competitive job posting, or that the posting description for this position should be tailored to this individual's qualifications rather than the needs of the position. The selection of any specific individual for this (or any) job without a legitimate competitive process would have been inconsistent with the hiring norms set out in the emerging Millstone realignment policy. Further, the individual named was and is presently not a Millstone or NU employee; since the realignment policy favors highly qualified Millstone employees, this fact further contributed to the concern about potential for evasion or subversion of the nascent realignment policy.

Since the voice mail message merely posed, but did not resolve, the all-important issue of Mr. Amerine's intent in sending it, the ECP promptly commissioned an investigation. Its results were presented to Millstone management in early October. On October 8, Bruce Kenyon announced his decision at an all-hands meeting. Mr. Kenyon observed, at the outset, that the individual who took his concern to the ECP had acted entirely appropriately. Mr. Kenyon then announced his conclusion, giving as its bases the ECP report; his knowledge of Mr. Amerine and his achievements and his response to this incident; his presumption of goodness in people, his acceptance of the fact that people make mistakes, and his belief in forgiveness; and his goal to do right by all concerned. He stated that his conclusion was consistent with that of the ECP, but that it was based on more than just the ECP report. Mr. Kenyon's conclusion was to agree that the message, with its ambiguity, represented a significant mistake on Mr. Amerine's part; but to accept Mr. Amerine's explanation that he had not intended to circumvent the realignment process but rather to describe, however infelicitously, the characteristics of an ISS director. Mr. Kenyon stated that he had determined not to ask Mr. Amerine for his resignation, noting that Mr. Amerine was clearly embarrassed and chagrined by the effects of his mistake. Mr. Kenyon then asked the entire station population to accept that his conclusions had been made in good faith, and to "rise above" the temptation to find fault. Mr. Kenyon characterized this event as a

turning-point for Millstone, stating that if station personnel could accept and forgive the good-faith mistakes of others, the station had the potential to return to a productive future; but that if they could not, and instead became governed by a "one-strike-and-out" norm, regardless of the circumstances, it would be on a "path to destruction."

LHC observed closely the efforts of the ECP and of the station's management to ascertain the facts associated with this event and understand their significance, and observed also the conduct of Mr. Amerine following the revelation of his voice mail. As a result, LHC was in a position, without conducting a formal independent investigation of its own, to appraise the reaction of the station to the event and the efficacy of ECP's and station management's response to it. LHC concluded that the investigation of the event had been undertaken promptly, professionally and thoroughly; that its conclusions and recommendations to station management were timely, persuasive and persuasively documented; that the process it had followed in reaching them was fair and professional. LHC representatives communicated these observations to station management, and to all hands at the October 8 meeting.

d. Overall Allocation of LHC Work

The overall LHC workload continued to taper off during the third quarter. LHC devoted a total of 1983.5 hours to work at the site, as compared with 2312 hours for the second quarter and 4875 for the first quarter of 1998. The allocation of hours was as follows:

Time Code	Time Spent (hours)	Time Spent (percent)
Investigations	17.00	1
Document Review	245.50	12
ECP Reviews	163.50	8
Structured Interviews	0	0
NRC/Public Meetings	87.25	5
Technical Reviews	245.00	12
Interviews/Meetings/Observations	420.50	22
Administrative Support	619.75	31
Management	185.00	9
TOTALS	1983.50	100

This time was allocated among a variety of matters. In addition to the two major status reports to the NRC, time was spent updating reports on the Corrective Action Program, the Employee Concerns Program, and a host of ongoing issues. The following table, arranged by week and with some deliberate generality in description in order to avoid compromising confidentiality, gives a general idea of the run of endeavor during this quarter:

June 29-July 3	Report on LHC assessment of site independent oversight and self-assessment program: Start oversight effort on Unit 2 implementation of CAP and self-assessment program: Start 2 nd quarter report; meetings re contents; Unit 2 MRT meeting; regular weekly meeting with station management
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July 6-10	Attend and participate in NRC Public Meeting; Meeting with NRC Staff; regular weekly meeting with station management; prepare for forthcoming 7/15 public meeting with NRC and NNECo
July 13-17	Meeting with NRC staff on general status; Mtg with ECP staff re case investigation; Unit 2 MRT meeting; Interviews with CAP, Self-Assessment Program management; Continue oversight of CAP and self-assessment programs; ERB meeting; ECP File Corrective Actions mtg with NNECo; review SCWE Handbook revision; prepare for, participate in July 15 NRC public meeting with NNECo, LHC; meet with new NU General Counsel; regular weekly meeting with station management
July 20-24	Debrief consultant; Meet with NRC re ECOP; telecon with NRC; Meet with NU counsel re legal status; Work on quarterly report; meet with Millstone employee re concerns over efficiency; mtg re Culture Survey training; regular weekly meeting with station management
July 27-August 1	Telecon re reorganization and downsizing; interviews with CAP and Self-Assessment Program personnel; Review Unit 2 CRs, Unit 2 1998 Self-Assessment reports; attend Leadership conference; Unit 2 MD-MRT mtg; regular weekly meeting with station management
August 3-7	Continue review of Unit 2 CRs, Self-Assessment reports; Interview with Millstone personnel; Focus Area/case update mtg w/NNECo, NRC; Interview Millstone personnel re June culture survey; Interview NRC re case file; culture survey; leadership assessment status discussions; Interviews with Millstone personnel re Focus Area issues; Complete preliminary reviews of FAs from 1997; Unit 2 MT-MRT meetings; Interview NU counsel re HR/Legal status, SCWE issues, ECP issues; Unit 2 MD-MRT meetings; regular weekly meeting with station management
August 10-14	Interviews with Millstone personnel re HR, Focus Area, Culture Survey; interview with potential concerne; Report re open/closed status of 97 Focus Areas, 98 SCWE cases, May 1998 Leadership assessment, June 98 culture survey; Meeting with NNECo management re reorganization; meet with NNECo re NRC order; re ECP status; regular weekly meeting with station management
August 17-21	Continued review of Unit 2 CAP and 98 SA programs: Interviews Millstone CAP management; obtain and review 1997-98 Focus Area, Culture Survey, Leadership Survey data; Unit 2 MD-MRT meeting; regular weekly meeting with station management

August 24-28	NRC Inspection Entrance Mtg; Continued review of Unit 2 CAP and 98 SA programs; LHC personnel interviewed as part of NRC 40001 inspection; Unit 2 MD-MRT meeting; Prepare "Windows" and other presentations for, attend, and participate in NRC meeting with NNECo and LHC, 8/27; regular weekly meeting with station management
August 31-4 September	Continued review of ECP case files, CI reviews, ECP Self-Assessment reviews, ECOP reviews of ECP, ECP Processing Manual; draft LHC presentation on ECP; attend ECP Staff, "Standup" meetings; interview 19 ECP members; review and closing out ECP disposition of LHC recommendations; Unit 2 MD-MRT meetings; regular weekly meeting with station management
Sept 7-11	Reviewed Unit 2 CRs, 98 SA Program reports; Begin drafting input on Unit 2 CAP and S/A reports; begin preparation for Weekly call with NRC; Unit 2 MD-MRT meetings; regular weekly meeting with station management;
Sept 14-18	Meet with personnel from CY; numerous meetings, interviews to monitor progress of event involving Amerine; Reviewed HIRD files; met with potential Concerned Individual; regular meeting with station management; meeting with ECP management
Sept 21-25	Special late afternoon mtg of "people team" to address ongoing Amerine issue fallout; Completed review of Unit 2 Level 1 CRs; interviewed Millstone personnel re status and closure path for several of them; Worked on drafting report on Unit 2 CR review Update for 3 rd Qtr report; monitor meetings between Amerine and Millstone personnel; Meeting re NRC exit interview on NRC 40001 inspection performed in August; NRC Conf call ; meet with Millstone management; regular weekly meeting with station management

IV. FORMAL PRESENTATIONS DURING THE QUARTER

LHC participated during the quarter in two presentations to the NRC Staff and NNECo concerning the status of a safety-conscious work environment at Millstone Point. On July 15, LHC presented an update of its "Windows" evaluation of the "Status of SCWE", presenting its views and comparing them to the evaluation criteria used by NNECo. LHC found the status of these criteria to be essentially unchanged since late May, i.e., acceptable for resumed operation. In further comments based on oversight of the ECP and the ECP's evaluation of incidents of alleged retaliation, LHC observed continued overall improvement – including the perception that concerned employees were taking their issues increasingly directly to NNECo entities rather than to LHC, and that within NNECo, they were taking them increasingly to the Human Resources personnel rather than to the safety-valve of the ECP. LHC still found room for further improvement in the quality of files and file reviews. As to the status of the 104 formal recommendations by LHC to NNECo, LHC will provide an updated matrix of recommendations

and their individual status as Attachment 6 to this report within a few weeks. As for further activities, LHC stated that it would continue to monitor the status of responses to its recommendations; the status of ECP files and investigations; and the transition of Unit 2 to startup. A summary of LHC's presentation is contained at Attachment 4.

On August 27, LHC presented a further update of its "Windows" assessment of the safety-consciousness of the Millstone work environment. The status was unchanged from July. The summary of the presentation is Attachment 5 to this report.

V. CONCLUSION

The workforce of Millstone continued to demonstrate, during the third quarter of 1998 with Unit 3 operating, a safety-conscious work environment consistent with resumed plant operation. Management began to present and discuss the necessary realignments which will follow from the decision to decommission Millstone Unit 1 and operate the remaining two units in a competitive environment. These realignments will involve both reductions in force at all levels and adjustments in individual positions throughout the plant, without losing a focus on safety. Maintaining this focus in the potential turbulence of these realignments and reorganizations will be a continuing challenge for all personnel at the plant. The only significant SCWE-related perturbation at the plant during this quarter – the Amerine matter discussed above – was handled with promptness, decisiveness and apparent maturity at all levels of the organization. If its disposition is an accurate indication, it suggests that a safety-conscious work environment is in fact in the process of being engrafted into the Millstone consciousness, though, as evidenced by the HIRD report's conclusions, that process is not yet complete. ✓

ATTACHMENTS

1. Millstone Point Corrective Action Program: Final Report of Little Harbor Consultants (October 1998)
2. Millstone Employee Concerns Program: Periodic Report of Little Harbor Consultants (October 1998)
3. Millstone Employee Concerns Program: Harassment, Intimidation, Retaliation and Discrimination Investigative File Review (October 1998)
4. LHC Presentation to NRC and NNECO, Status of SCWE at Millstone (LHC Update), July 15, 1998
5. LHC Presentation to NRC and NNECO, Status of SCWE at Millstone (LHC Update), August 27, 1998
6. LHC Recommendation Matrix (to be provided later)

October 1998

MILLSTONE POINT CORRECTIVE ACTION PROGRAM: FINAL REPORT OF LITTLE HARBOR CONSULTANTS

INTRODUCTION

Purpose

During the implementation of the Independent Third-Party Oversight Program (ITPOP) at the Millstone Nuclear Power Station, Little Harbor Consultants (LHC) has focused attention on Northeast Utilities' efforts to strengthen several programs that play particularly critical roles in supporting the existence of a safety-conscious work environment. These programs include the Employee Concerns Program (ECP), the Corrective Action Program (CAP), and the Self-Assessment Program. This brief report summarizes the oversight activities that LHC has conducted on the Millstone CAP.

Background

LHC has completed its oversight of the Millstone CAP in three distinct phases. The first phase was completed in July–September 1997. It included a review of procedures that govern implementation of the CAP, the organizational infrastructure that had been established to implement the program, and the effectiveness of the program in identifying problems and developing corrective actions for them. The results of the first phase of LHC's review were presented to the NRC and NNECo at a public meeting on September 24, 1997. LHC concluded from this phase that the procedures governing the CAP were consistent with industry best practices and that the infrastructure that had been established to implement the program was in place and functioning. LHC also concluded that, while the CAP was effective in identifying problems and developing corrective actions for them, insufficient progress had been made at that time in implementing these corrective actions reach a conclusion regarding its overall effectiveness. LHC offered a number of recommendations for further improving the effectiveness and efficiency of the program.

LHC conducted a second review of the CAP in early 1998. This review focused on the implementation of the CAP for Unit 3, since Unit 3 had made the most progress in implementing corrective actions developed through the program and was the first unit for which approval to restart was to be requested. Results of this second phase of the LHC review were presented by LHC at a public meeting with the NRC and NNECo on April 7, 1998. LHC concluded that sufficient progress had been made in implementing corrective actions developed through the CAP in Unit 3 to warrant a conclusion that it was acceptable to support restart of that unit.

The third phase of LHC's review of the Millstone CAP was conducted during the months of July and August 1998. This phase consisted of a repeat of the activities completed

during phase 2, with the focus this time being on Unit 2's implementation of the program. The balance of this section addresses this third phase.

ASSESSMENT ACTIVITIES COMPLETED

LHC team members completed the following activities during the course of this phase of the assessment of the Millstone CAP:

1. Reviewed 29 Significance Level 1 CRs that had been written on Unit 2 between October 1997 and mid-July 1998.
2. Reviewed a number of Significance Level 2 CRs that had been written on Unit 2 since early 1998 as each was brought before the Unit 2 Multi-Discipline Management Review Team (MD-MRT).
3. Attended 8 Unit 2 MD-MRT meetings between mid-July and late August 1998.
4. Interviewed the Unit 2 Corrective Action Department (CAD) manager and the site Director who is responsible for the CAP.
5. Reviewed Revision 7 of procedure RP-4, *Corrective Action Program*.

ASSESSMENT RESULTS

The 29 Unit 2 Significance Level 1 CRs that were reviewed are listed in the table on the following page. Twenty-one of the CRs had been processed through to approval by the MD-MRT and subsequent release for implementation of corrective actions. The remaining eight CRs were still in various stages of processing prior to submittal to the MD-MRT for approval.

Review of the 21 completed CRs led to the following conclusions:

1. The CRs were generally well prepared, with the various sections completed so that someone unfamiliar with the events and subsequent investigations could obtain a reasonable understanding of the circumstances surrounding each with a reasonable effort.
2. Where a root cause analysis was required to be performed, the root cause report accompanying the CR was of acceptable quality. While the LHC team did not perform an independent analysis of the causes of any of the events, they were able to conclude in every case that the process of determining the cause(s) and the causes that were specified seemed appropriate, based on documentation contained in the CR. The team did note that the root cause analyses were not documented in as consistent a fashion as those prepared by the Unit 3 CAD staff reviewed earlier this year. It was subsequently explained the Unit 2 CAD manager that fewer of the Unit 2 staff had received the formal root cause analysis training that had been offered by the site Training Dept. in 1997 until it was suspended in August 1997.

Unit 2 Significance Level 1 Condition Reports Reviewed by LHC

Initiated	CR#	Title	Reportable?	Status, 9/10/98	Comments
17-Nov-97	M2-97-2656	DRAWING ERROR RESULTED IN NOT TAGGING THE CORRECT BREAKER IN SUPPORT OF HEATER WORK	N	Completed	Acceptable
20-Nov-97	M2-97-2693	CONTAINMENT PURGE VALVES NOT SURVEILLED EVERY 31 DAYS AS REQUIRED BY TS 4.6.1.1	Y	Completed, CAs being implemented	Acceptable
26-Nov-97	M2-97-2745	NOV 50-336/97-203-17, COMMITTED CHANGE TO AFW PROC REMOVED BY SUBSEQUENT REVISION W/O ADDRESSING ITEM	N	Completed, CAs being implemented	Acceptable
26-Nov-97	M2-97-2749	PIECE OF SERVICE WATER PIPING PVC LINER FOUND IN "B" DIESEL GENERATOR DUPLEX STRAINER	Y	Completed, CAs being implemented	Acceptable
26-Nov-97	M2-97-2751	C21'S HANDSWITCHES HS-4188C & HS-4188D MANUAL START OR RESET INHIBIT ARE NOT SURVEILLED	Y	Completed, CAs being implemented	Acceptable
14-Jan-98	M2-98-0100	ADVERSE TREND NOTED IN PROPER APPLICATION OF SECTION XI REPAIR PLANS	N	Completed, CAs being implemented	Acceptable
03-Feb-98	M2-98-0299	PERSONNEL SAFETY EVENT: INFLATABLE BLADDER DISLODGED WHEN SERVICE WATER ALIGNMENT CHANGED	N	Completed, CAs being implemented	Acceptable
04-Feb-98	M2-98-0307	POTENTIAL VIOLATION-EQUIPMENT IMPROPERLY STORED IN CONTROL ROOM	N	Completed	Acceptable
19-Feb-98	M2-98-0435	ADVERSE TREND OF MISSED READINGS THAT ARE REQUIRED BY ARCOP PROCEDURES	N	Completed, CAs being implemented	Acceptable
20-Feb-98	M2-98-0460	MULTIPLE FAILURES OF RECENTLY REPLACED SOLENOID VALVES CAUSED BY RESTRICTED AIR FLOW THROUGH ASCO SOLENOID EXHAUST PORTS	N	Completed, CAs being implemented	Acceptable
03-Mar-98	M2-98-0579	SUBSTANTIAL WORK COMMENCED WITHOUT PROPER PROCESSING OF PURCHASE ORDERS	N	Completed	Acceptable
19-Mar-98	M2-98-0760	MULTIPLE DEFICIENCIES NOTED REGARDING COMPLIANCE WITH WC-4	N	Completed, CAs being implemented	Acceptable
24-Mar-98	M2-98-0798	"B" D/G ROOM ENTERED THRU DOOR 206 WITHOUT LOGGING ON TO RWP AFTER ROOM RESTORED AS PART OF RCA	N	Completed	Acceptable
01-Apr-98	M2-98-0909	PIPING MODIFICATION CUT LINE WITHOUT PROPER ISOLATION, WATER SPILLED, FLOOR CONTAMINATED	N	Completed, CAs being implemented	Acceptable
09-Apr-98	M2-98-0999	WET LAYUP CONDITION OF FEEDWATER PIPING NOT PROPERLY MAINTAINED	N	Completed	Acceptable
30-Apr-98	M2-98-1197	MSLB ASSUMPTIONS FOR FAILED FUEL IMPACT CHANGED TO EXPECT FUEL FAILURE AS A CONSEQUENCE	Y	Completed	Acceptable
07-May-98	M2-98-1265	WORK ORDER RELEASED PRIOR TO TAGS BEING HUNG	N	Completed, CAs being implemented	Acceptable
09-May-98	M2-98-1288	FME INFLATABLE BLADDER INSTALLATION PROCESS HAS MULTIPLE PROBLEMS ON SW PIPE DISCHARGE FROM "A" D/G	N	Completed, CAs being implemented	Acceptable
19-May-98	M2-98-1411	POTENTIAL VIOLATION (TS 6.8.1) ID'D AT NRC RESIDENT EXIT MTG., "DRAINING AND FILLING ACTIVITIES"	N	Investigation not yet complete	
19-May-98	M2-98-1412	POTENTIAL VIOLATION (50.9) ID'D AT NRC RESIDENT EXIT MTG., NO	N	Completed, CAs being implemented	Acceptable

Initiated	CR#	Title	Reportable?	Status, 9/10/98	Comments
		PREDEFINED METHOD TO FILL EDG DAY TANK FROM OFF-SITE SOURCE			
19-May-98	M2-98-1413	POTENTIAL VIOLATION (TS 6.8.1) ID'D AT NRC RESIDENT EXIT MTG., POOR IMPLEMENTATION OF PROCEDURE OP 2330A, "RBCCW"	N	Investigation not yet complete	
22-May-98	M2-98-1468	AUDIT FINDING: MP2 SBO PROGRAM DEFICIENCIES PREVIOUSLY IDENTIFIED WITH NO TIMELY CORRECTIVE ACTION TAKEN	N	Completed, CAs being implemented	Acceptable
28-May-98	M2-98-1533	ALL REQUIRED HP PROCEDURE STEPS MAY NOT HAVE BEEN PERFORMED FOLLOWING A WORKER CONTAMINATION WITH POTENTIAL FOR INTERNAL CONTAMINATION	N	Completed, CAs being implemented	Acceptable
23-Jun-98	M2-98-1820	NOV/SSFI: INCOMPLETE ACCEPTANCE TEST FOR AIR ACCUMULATOR CHECK VALVE TEST	N	Returned to investigators for additional work on root cause	
23-Jun-98	M2-98-1821	NOV/SSFI: TWO INSTANCES OF INADEQUATE CORRECTIVE ACTION NOTED. ONE FOR RBCCW LOW FLOW SPIKING AND ONE FOR SWITCHYARD TS	N	Returned to investigators for additional work on root cause	
23-Jun-98	M2-98-1825	NOV/SSFI: ANNUNCIATOR RESPONSE PROCEDURE FOR RBCCW SYS. POORLY INTEGRATED W/OPERATING & ABNORMAL PROCEDURES, VARYING LEVEL OF DETAIL & NUMEROUS INCONS	N	Returned to investigators for additional work on root cause	
23-Jun-98	M2-98-1827	NOV/SSFI: CHANGE TO ELECTRICAL SEPARATION CRITERIA INCORRECTLY DETERMINED NO USQ	N	Returned to investigators for additional work on root cause	
07-Jul-98	M2-98-1940	ICAVP: POWER CABLES CIRCUIT PROTECTION CHALLENGED BY REDUCED AMPACITY DUE TO INADEQUATE TEMPERATURE RATINGS	N	Complete, downgraded to S/L 2	Acceptable
15-Jul-98	M2-98-2026	POWER SUPPLY FOR "A" LOGIC SUPPLY +15VDC ACTUATION CABINET FAILED	N	Investigation not yet complete	

3. Based on the same qualitative assessment approach, the LHC team concluded that the corrective actions specified for these CRs were reasonable and implementable by the various responsible organizations. Likewise, although delays had occurred for the implementation of some corrective actions, progress to date appeared to be reasonable, given the many activities competing for resources in the plant.
4. The team reviewed existing documentation for the eight uncompleted CRs (all written since early May 1998) and discussed the status of the investigation for each with the Unit 2 CAD manager. They concluded that acceptable progress was being made on these CRs. It was noted that four of the eight CRs had been written as the result of a Notice of Violation; these four had been submitted to the MD-MRT for approval but had been sent back for additional work.
5. The team's evaluation of the level 2 CRs that were being reviewed by the MD-MRT during the time frame of the assessment led to the conclusion these CRs had been properly classified for significance level and that they had processed generally in accordance with the requirements of RP-4. It was specifically noted that the corrective actions specified for these CRs were typically focused on correcting the reported problems and not more broadly at addressing postulated causes. This approach is consistent with the recommendation made by LHC in September 1997 that corrective actions on Level 2 CRs be so focused. Subsequent revisions of RP-4 have provided guidance consistent with this approach.
6. The Unit 2 CAD staff is providing strong support to the other organizations in the Unit.
7. Unit 2 management is also providing adequate support for the CAP, primarily through the strong day-to-day involvement of the MD-MRT.
8. Revision 7 of RP-4 contains some additional program enhancements. It integrates the site's NCR program into the CR process except that NCRs will continue to be written against purchased items that fail to meet specifications. Revision 7 also contains some features aimed at improving the efficiency of the corrective action process.

CONCLUSIONS

The LHC team concluded that Unit 2's implementation of the CAP is adequate to support restart of the unit. Several challenges will continue to confront Unit 2 management during the time leading up to and following restart. These challenges include the following:

1. A large backlog of corrective actions remains to be implemented prior to the unit being restarted. These corrective actions are the result of the several discovery efforts that have been conducted over the past 2 -1/2 years.

2. The program as currently implemented is quite resource intensive. Site management will have to develop means for improving the efficiency of the program while not reducing its effectiveness.
3. Unit senior management will also have to ensure that management throughout the unit maintains its focus on supporting the program if it is to remain effective.
4. Unit 2 CAD management needs to ensure that its staff members who perform root cause analyses receive appropriate training in the various root cause analysis methodologies that are employed at the site. This should result in improved consistency in the root cause analyses performed for Unit 2.

The LHC team conveyed these observations to Unit 2 CAD management.

October 1998

MILLSTONE POINT EMPLOYEE CONCERNS PROGRAM: PERIODIC REPORT OF LITTLE HARBOR CONSULTANTS

INTRODUCTION

Purpose

During the implementation of the Independent Third-Party Oversight Program (ITPOP) at the Millstone Nuclear Power Station, Little Harbor Consultants (LHC) has focused attention on Northeast Utilities' efforts to strengthen several programs that play particularly critical roles in supporting the existence of a safety conscious work environment. These programs include the Employee Concerns Program (ECP), the Corrective Action Program (CAP), and the Self-Assessment Program. This brief report summarizes the most recent oversight activities that LHC has conducted on the Millstone ECP.

Background

LHC began its oversight of the Millstone ECP in the second quarter of 1997. The results of the first round of oversight activities were presented in May and July of 1997. LHC has conducted follow-up assessments periodically since that initial effort. This report describes the results of the most recent oversight effort, conducted by members of the LHC team in early September 1998.

OVERSIGHT ACTIVITIES COMPLETED

The following oversight activities were completed during the first half of September 1998:

1. Reviewed selected documents:
 - 32 Concerned Individual (CI) feedback questionnaires/interviews
 - 11 ECP files that had been closed since the last LHC assessment
 - The latest revision of the *ECP Processing Manual*, Rev 4
 - Rev. 8 of the ECP Administration Control Documents
 - The Employee Concerns Oversight Panel (ECOP) Second Quarter Report
 - The ECP Monthly Reports for July and August, 1998

- The Culture and Leadership Assessment Surveys related to ECP and ECP management
 - The report of the external self-assessment of Millstone Employee Concerns Program and Millstone management's draft responses
 - A comparison of Revision 4 of the *ECP Processing Manual* to Revision 3 of that manual
 - The ECOP ECP Focus Group Report
 - Millstone management's implementation of the ECP exit process
 - Several ECP Self-assessment reports
2. Interviewed the following people:
 - 18 ECP staff members
 - 7 Millstone employees who have used the ECP
 - 2 ECOP staff members
 3. Observed an ECP staff meeting
 4. Observed an ECP "standup" meeting

ASSESSMENT RESULTS

The LHC team performing the latest assessment reached the following conclusions regarding the Millstone ECP:

1. The ECP's governing documents continue to improve.
 - Revision 4 to the *ECP Processing Manual* should result in continued improvement.
 - The revised administrative controls should improve ECP corrective action development, implementation, and follow-up.
 - Changes are being made to the database that should improve ECP's ability to trend and analyze collective cases.
 - Self-assessments are being done per plan and are effective in identifying compliance issues and areas for improvement.
2. Implementation of the ECP continues to improve.
 - ECP investigations continue to be well performed and documented.
 - The ECP exit process is now being consistently implemented.
 - Implementation of the rapid response option is acceptable and effective in resolving issues.

- Operability and reportability issues are now being documented on CRs.
3. Various measures of the ECP's performance indicate that the program has gained respect at the Millstone site.
- Morale and teamwork among the ECP staff continue to be high.
 - Customer satisfaction continues at a high level -- 94% would reuse ECP.
 - Cultural and leadership assessments related to ECP are positive.
4. The following observations indicate that opportunities exist for further improvements to the program and its implementation.
- The number of allegations of incidents involving HIRD and subsequent substantiations have remained level; and the numbers are still high enough to warrant continuing management vigilance.
 - Preparations have not been made for the upcoming restructuring of the ECP organization as a part of the organizational realignment program. This realignment will result in some functions being transferred from the ECP organization to other organizations at the site.
 - One closed file does not contain evidence of adequate resolution of a potential nuclear safety significant issue (the file number has been brought to ECP management's attention).
 - Valuable observations and suggestions for improving ECP performance have been generated both internal and external to ECP that have yet to be embraced by ECP management.
 - Recommendations identified during self-assessments have not always been implemented in a timely manner.

These observations were brought to the attention of ECP management.

October 1998

**MILLSTONE EMPLOYEE CONCERNS PROGRAM
HARASSMENT, INTIMIDATION, RETALIATION AND DISCRIMINATION
INVESTIGATION FILE REVIEW**

PURPOSE:

The Nuclear Regulatory Commission's October 24, 1996 Order imposing a Third-Party Independent Oversight Program (ITPOP) at the Millstone Nuclear Power Station required that the oversight activities include a detailed review and analysis of the handling of complaints and allegations within the Millstone workforce of harassment, intimidation, retaliation and discrimination (HIRD) related to engagement in activities protected by NRC regulations at 10 CFR Sec. 50.7. This report summarizes the continuing activities of Little Harbor Consultants, Inc. (LHC) with respect to reviewing how HIRD allegations have been investigated by the Millstone Employee Concerns Program (ECP), and contains the observations from the file and program review conducted by LHC, as well as recommendations for improvements.

BACKGROUND:

LHC began its review of HIRD files in the second quarter of 1997. The results of the initial HIRD review were presented in January 1998, and covered all of the HIRD files opened since January and closed through mid-December, 1997. An update of the HIRD files was presented at a public meeting in April 1998. The third update was undertaken in July 1998 and completed in August 1998. With the completion of this quarter's file review, LHC has reviewed 100% of all HIRD files closed through August 1998, alleging some form of retaliatory action for engaging in protected activity.

OVERSIGHT ACTIVITIES COMPLETED:

During this quarter LHC reviewed the ECP's updated HIRD investigative criteria, training for ECP investigators in the updated HIRD criteria, use of more advanced analytical processes, and integration of self-critical assessments into the ECP.

During July and August 1998, LHC reviewed 32 files alleging that HIRD had taken place, at least in part, because of engagement in legally protected activity. In addition, LHC reviewed 7 ECP reports in which HIRD for non-50.7 reasons had taken place. LHC reviewed the ECP self-assessment activities, including internal and external audits of HIRD files and several self-assessments of HIRD investigative files. LHC interviewed employees who had raised HIRD allegations and/or were interviewed as witnesses by ECP investigators.

LHC reviewed and compared the internally reported statistics in the ECP monthly reports with its own assessments. LHC completed an in-depth review of several high-profile HIRD investigations

that were the subject of criticism by the Concerned Individual (CI) or witnesses contacted in connection with an investigation.

LHC staff attended a number of ECP staff meetings, investigative meetings, interviews with CIs, closure panels on HIRD allegations, and ERB reviews on HIRD allegations; and reviewed SCWE work plans to address the potential "chilling effect" of HIRD allegations on work environments.

ASSESSMENT RESULTS:

The following is a summary of the assessment results of the HIRD review for the third quarter of 1998.

1) **HIRD investigative criteria:**

In late spring 1997, Millstone management adopted a review process for analyzing whether allegations of harassment, intimidation, retaliation or discrimination were potentially violations of 10 CFR 50.7. This review process utilizes conservative criteria, modeled on the analytical process used by the United States Department of Labor and the NRC in conducting similar analyses. LHC has already reviewed these criteria and identified them as the most advanced in the industry. While the adoption of the criteria is laudatory, their use in the HIRD files reviewed this quarter was inconsistent, and in some instances LHC could not find evidence that the criteria had been applied at all. LHC identified 14 HIRD case files that were not analyzed consistently with the criteria. Of additional concern was the fact that the internal self-assessment of the ECP files did not identify this issue. However, the external file review did identify some of the same issues which LHC has pointed out.

2) **Additional training for ECP investigators on use of new criteria:**

The ECP was in the process of providing additional training for ECP investigators in connection with analyzing cases under the HIRD criteria adopted by Millstone management. This training was conducted on June 9, 1998. A review of the curriculum indicated that additional guidance and training was provided. LHC expects that further training of the ECP staff will result in better investigation plans and analysis of information gathered during their investigations.

3) **Use of self-critical assessments of the ECP case files:**

LHC also reviewed several different self-critical assessment tools developed during the third quarter and used by the ECP in conducting internal reviews, specifically, the August 28, 1998 and September 14, 1998 ECP Concern Case File Reviews done internal to the ECP and the August 20, 1998, external assessment of ECP allegations involving allegations of violations of 10 CFR 50.7 closed between April and June 1998. Both the internal and external assessments provided a detailed review of ECP implementation in the context of investigations.

The internal ECP assessment was, for the most part, limited to identification of weaknesses in administrative controls, i.e., missing signatures, incomplete forms. The internal assessments did not contain significant attempts to answer whether fundamental problems existed with investigation analyses and conclusions. The external assessment, conducted by NNECo's outside legal advisors, was an in-depth review of analytical strengths and weaknesses in investigation methodology and conclusions. The external review identified several areas in need of improvement, which overlap with LHC's observations identified below. When LHC had completed this quarterly assessment, the recommendations had not yet been incorporated into revised training for ECP investigators or into new analytical processes.

LHC would expect that the self-critical analysis of HIRD files will continue, including a review of whether ECP has responded effectively to all findings by both internal and external assessments.

4) LHC HIRD file reviews:

LHC reviewed 32 files that alleged some aspect of 50.7 HIRD, and 7 non-50.7 HIRD files. In general the investigations and analysis conducted by the ECP were very good. In some case files the work done was exceptional. In other cases there was a weakness in the investigation, analysis or conclusion. Additionally, LHC identified other areas that were in need of improvement.

Specifically, LHC identified 14 cases in which review of the ECP file generated a question, concern, or disagreement with the conclusions or corrective action evidenced on the face of the file. Those comments were provided to the ECP for review and reconsideration. Of those files, LHC agrees with the action or disposition of 11 of the findings. The issues from the remaining 3 case files have been provided to the ECP for further review.

LHC expects that implementation of the upgraded investigation guidelines, increased training, and continuing self analysis, will result in further improvement of the ECP investigations in this area.

5) LHC interviews of employees who had raised HIRD allegations and/or were interviewed as witnesses by ECP investigators:

During the third quarter LHC continued to be available to employees who were involved in the ECP investigative process. These interactions included employees who were contacted as witnesses, accused individuals, and concerned employees. LHC interviewed each contact, and pursued the concern of the employee through the ECP process. In most cases the ECP resolved the issue raised by the concerned employees. In some instances, ECP was not able to address the concern within the ongoing investigation.

However, the ECP has revised its current manual to address the rights and expectations of all users of the ECP going forward. ECP expects that this revised process will eliminate many of

the issues that were brought to LHC in connection with ECP investigative methodology.

6) Review and comparison of ECP's internally reported statistics to LHC assessment:

Following the completion of LHC's review of the HIRD files there was a concern that some of the statistics in the ECP's monthly report were not consistent with the classifications of ECP investigative files. This concern was also raised to LHC by an outside source. LHC reviewed the classification of issues in some detail with ECP and their external review process, which confirmed that some files may have been mis-classified during the intake process. However, a review of the completed files demonstrated that the HIRD 50.7 classification conducted at the conclusion of the investigation was consistent with the ECP results.

7) LHC review of several high profile HIRD incidents and investigations:

During the third quarter there were several high profile events with elements of HIRD. The most significant of these was the "voice mail" incident involving a Vice President. The details of this incident are included in the LHC quarterly report, and are included here only in the context of the handling of the incident by Millstone management. In that context, LHC observed the Rapid Response Resolution planning of the response to the event by ECP and Millstone management. The response was immediate, it provoked an investigation conducted over the weekend after a late Friday revelation of the incident, and the planning anticipated a potential "chilling effect" from the disclosure of the incident. The management "roll out" of the response was implemented effectively and in accordance with the plan. However, management may have underestimated the degree of cynicism and distrust that resulted from the disclosure. This attitude in the workplace reflects the tenuous nature of the workplace environment recovery identified by LHC in May and June 1998, and confirms that the progress is still fragile.

LHC also observed the conclusion of a long-standing ECP concern, opened in 1995. While the issues were not timely resolved, ultimately the ECP reinvestigation of the issues satisfied the concerned individual as being accurate. A single remaining issue was unresolved at the end of the third quarter, and will be monitored in the following quarter.

Finally, another high profile ECP case involving a member of Millstone management was concluded. This investigation was highly controversial and resulted in cross-allegations of the ECP process being abused by both accused and accuser. LHC reviewed the investigation process and the ECP report, as well as the closure process and final resolution. LHC made several observations on investigation weaknesses and reported those to the ECP Director. LHC also disagreed with some of the analysis of the facts by the ECP, and communicated that to the ECP Director. Finally, LHC observed the failure to communicate effectively with persons involved in the investigation and the resulting lack of trust in the credibility of the investigation, and communicated all of these observations to Millstone and ECP management. Ultimately management resolved the issues with the employees.

It should be noted that in all 3 of the cases identified above, Millstone management took an appropriately active role in evaluation of the ECP investigation and collection of other data by the Safety Conscious Work Environment (SCWE) organization and site managers in order to reach a final resolution for the cases. This is seen as a sign of a maturing organization.

LHC would expect that Millstone management will continue to become involved in and aware of the ECP investigation results, and to incorporate those ECP findings into management actions appropriate for the company and the involved individuals.

8) Observations of meetings and panel reviews related to HIRD allegations:

LHC staff also attended a number of ECP staff meetings, investigative meetings, interviews with Concerned Individuals, closure panels on HIRD allegations, Executive Review Board (ERB) reviews on HIRD allegations, SCWE meetings addressing potential HIRD issues, as well as reviewing SCWE work plans to address the potential "chilling effect" on work environments of HIRD allegations. LHC also monitored the work environment in several locations that have been the subject of previous HIRD allegations.

With a few exceptions, the Millstone management team and ECP have continued to demonstrate a sensitivity to the potential for a "chilling effect" from perceptions of retaliatory treatment, and to make management decisions that address those concerns. Millstone, like other plants throughout the industry, continues to receive complaints that personnel actions have been taken unfairly, unjustly and for retaliatory reasons. In general, Millstone has also responded to these accusations in a timely and effective manner, showing respect to the accuser and accused.

However, there have been a number of cases in which accused managers have not been handled with appropriate consideration, generating a fear among managers that simple accusations will result in termination of employment. Several complaints have been received by LHC and others that some ECP investigators employ a hostile attitude toward managers, and are less than forthright in their investigative techniques. These issues have resulted in complex and difficult cases becoming more so, and adding layers of complaints upon the initial investigation. The ECP has adopted new guidelines for dealing with both those accused of wrongdoing and witnesses interviewed in ECP investigations. LHC expects that these new guidelines will effectively address this concern.

RECOMMENDATIONS:

- 1) Improve the quality of ECP HIRD investigation reports, eliminating extraneous personal commentary and opinions of the investigators, and clarifying the basis for the ECP conclusions;
- 2) Improve quality of internal self-assessment file reviews to provide greater depth in evaluating investigations of 50.7 HIRD issues;

- 3) Implement the new investigative guidelines in conducting interviews with employees accused of wrongdoing and witnesses, including measuring performance of investigators in conducting investigation interviews through use of customer feedback forms;
- 4) Continue to provide training to ECP investigators on understanding the elements of a 50.7 HIRD concern, in order to properly investigate HIRD complaints, analyze the evidence collected, and provide logical conclusions in the basis for ECP findings;
- 5) Develop a consistent definition and understanding among all ECP investigators and staff, as well as other Millstone entities involved in ECP activities, of relevant terms and concepts, such as "chilling effect," "adverse actions," and "blacklisting;"
- 6) Continue self-assessment and external assessment activities of 50.7 HIRD files and follow through on all observations and recommendations from such activities.

CONCLUSION:

The Millstone Employee Concerns Program continues to receive a relatively high number (compared to the rest of the commercial nuclear industry) of ECP allegations of harassment, intimidation, retaliation and discrimination from its workforce. As a result it is critical that the ECP continue to improve its program in this area, thus assisting the company in identifying and resolving HIRD concerns promptly and effectively. This situation will likely continue until employees re-establish sufficient trust with management to address HIRD issues directly through their chain of command. Based on third-quarter observations, LHC does not expect that level of trust to be fully re-established during the fourth quarter of 1998. However, the Millstone Employee Concerns Program is among the best in the industry even though the implementation of ECP is not consistently at that same level. While many of the programmatic and individual case file weaknesses were self-identified, others were not. LHC expects that ECP management will address all of the issues raised in this report, and continue their self-assessments.

STATUS OF A SAFETY CONSCIOUS WORK ENVIRONMENT AT MILLSTONE: LHC UPDATE

**Little Harbor Consultants
Presentation to NRC and NNECo
July 15, 1998**

July 15, 1998

Little Harbor Consultants, Inc.
Presentation to NRC and NNECo

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AGENDA LHC PRESENTATION

- **Windows Update - John Beck**
- **Employee Concerns Oversight Panel - John Beck**
- **ECP/Retaliation Files Review - Billie Garde**
- **ITPOP Recommendations - John Griffin**
- **Future LHC Activities - John Griffin**

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STATUS OF A SAFETY CONSCIOUS WORK ENVIRONMENT AT MILLSTONE

LHC Assessment of NNECo Success Criteria

July 15, 1998

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STATUS OF NNECo SUCCESS CRITERIA FROM LHC ATTRIBUTES



NNECo Success Criteria

1. Demonstrate the willingness to raise concerns.

July 15, 1998

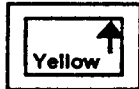
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4

STATUS OF NNECo SUCCESS CRITERIA FROM LHC ATTRIBUTES



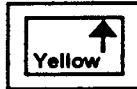
1/27/98



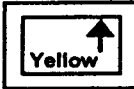
2/19/98



3/3/98



4/7/98



5/27/98

NNECo Success Criteria

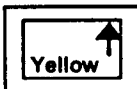
2. Demonstrate that issues are being effectively resolved by line management. (Corrective Action Program)

July 15, 1998

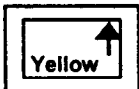
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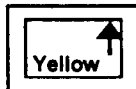
STATUS OF NNECo SUCCESS CRITERIA FROM LHC ATTRIBUTES



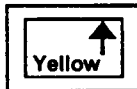
1/27/98



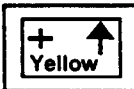
2/19/98



3/3/98



4/7/98



5/27/98

NNECo Success Criteria

3. Demonstrate that the ECP is effective.

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STATUS OF NNECo SUCCESS CRITERIA FROM LHC ATTRIBUTES

Factors Considered in Evaluation

- Continued Customer Satisfaction
- Implementation of 50.7 Review Process
- Training for ECP Investigators
 - 50.7
 - Lessons Learned
- Concerns Backlog Reduction
- Tracking of ECP Commitments in AITTS

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STATUS OF NNECo SUCCESS CRITERIA FROM LHC ATTRIBUTES



1/27/98

2/19/98

3/3/98

4/7/98

5/27/98

NNECo Success Criteria

4. Demonstrate that management can recognize and effectively deal with alleged instances of HIR&D, or other circumstances which have created a chilling effect, which collectively are referred to as problem areas.

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STATUS OF NNECo SUCCESS CRITERIA FROM LHC ATTRIBUTES

Factors Considered in Evaluation

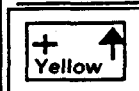
- Training for New Supervisors and Managers
- Grass Roots Enthusiasm of Work Force
- Professional Behavior at Meetings
- Management Response to Emerging Issues

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Presentation to NRC and NNECo

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STATUS OF NNECo SUCCESS CRITERIA



Workforce willing to
raise concerns

Ready for Restart



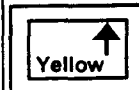
CAP is effective

Ready for Restart



ECP is effective

Ready for Restart



Able to deal with
HIR&D

Ready for Restart

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OVERSIGHT OF MILLSTONE WORK ENVIRONMENT

Little Harbor Consultants Attributes

July 15, 1998

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS

Green	Green	Green	Green	Green
1/27/98	2/19/98	3/3/98	4/7/98	5/27/98

LHC Expectation 1

Senior management endorses a policy that places priority on nuclear safety, supports the workers' rights to raise safety issues and ensures that workers will not be subjected to harassment, discrimination or intimidation if they do so.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 2

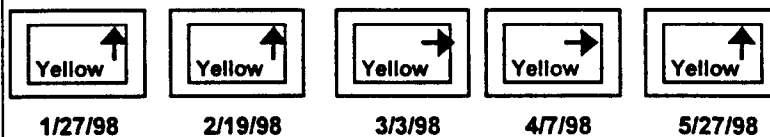
Employee perceptions of the policy and its implementation are favorable.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 3

Senior management provides training to all managers and supervisors to ensure that they understand and employ good management practices when dealing with employees who have safety concerns and do so with understanding.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS

Factors Considered in Evaluation

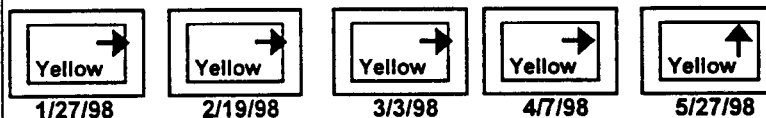
- "Quick Start" Training for New Supervisors
- Training for Supervisors and Managers
- Training Backlog Reduction

July 15, 1998

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Presentation to NRC and NNECo

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 4

Members of the workforce have a sense of identity and are committed to the publicly stated goals and objectives of the organization, have respect for each other, communicate effectively both horizontally and vertically, and feel responsible for their own behavior.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS

Factors Considered in Evaluation

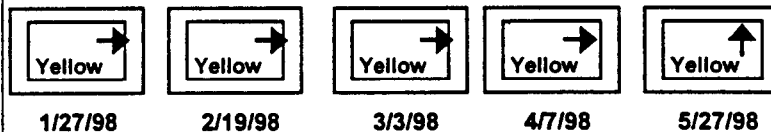
- Grass Roots Enthusiasm of Work Force

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 5

People at all levels of the organization treat each other with mutual respect.

July 15, 1998

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Presentation to NRC and NNECo

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS

Factors Considered in Evaluation

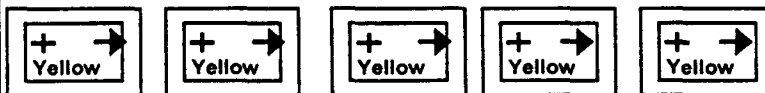
- Professional Behavior in Meetings

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



1/27/98

2/19/98

3/3/98

4/7/98

5/27/98

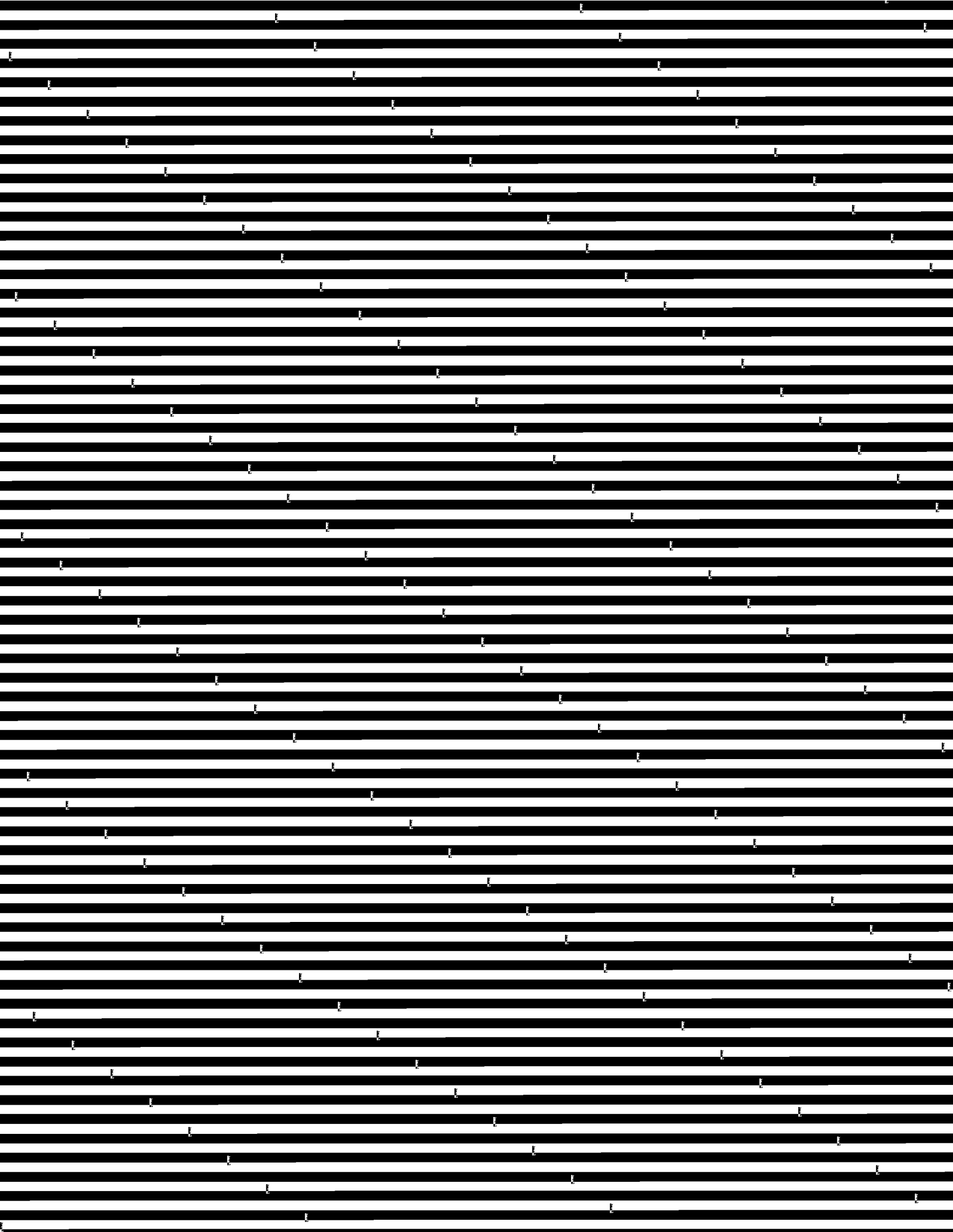
LHC Expectation 6

Employees exhibit a "questioning attitude"
toward work and the work environment with
respect to nuclear safety.

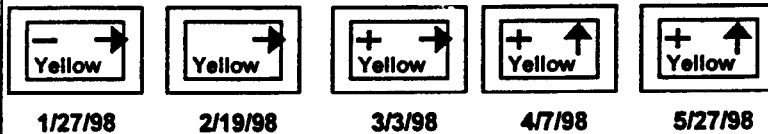
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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 7

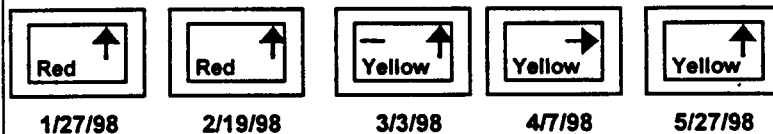
Positive recognition is given to employees who identify safety issues.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 8

Incidents leading to allegations of harassment, intimidation, retaliation or discrimination rarely occur, and management is timely and effective in taking action for resolution and prevention.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS

Factors Considered in Evaluation

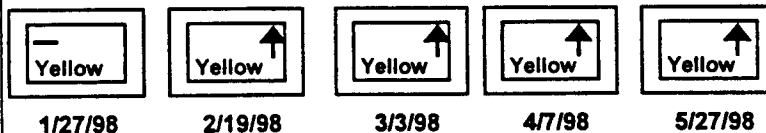
- Management Response to Emerging Issues (+)
- Approximately 50 % of ECP Concerns that Involve HIRD (-)
- Timely Training for New Supervisors and Managers (+)

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 9

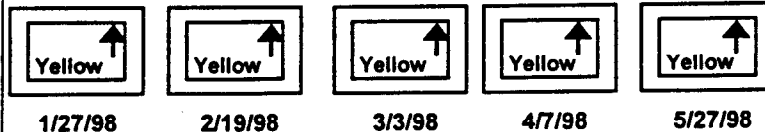
There is no evidence that an atmosphere exists that has a "chilling effect" on the willingness of employees to report safety issues.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 10

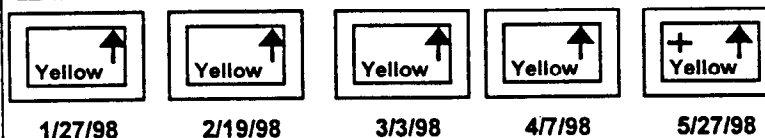
An effective and efficient corrective action program is functioning and all employees recognize the normal (and preferred method) for addressing safety issues is through the line organization.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 11

Senior management recognizes that some concerns may not be addressed through the normal line organization and has established an [effective] Employee Concerns Program (ECP) for handling such concerns.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS

Factors Considered in Evaluation

- Continued Customer Satisfaction
- Implementation of 50.7 Review Process
- Training for ECP Investigators
 - 50.7
 - Lessons Learned
- Concerns Backlog Reduction
- Tracking of ECP Commitments in AITTS

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 12

Independent and self-assessments are performed periodically to monitor performance and correct identified deficiencies.






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LHC ATTRIBUTES CONTRIBUTING TO NNECo SUCCESS CRITERIA 1

Demonstrate the willingness to raise concerns.

- | | |
|---|---|
| 2. Employee perception of SCWE... |  |
| 6. Employees exhibit a questioning attitude... |  |
| 7. Positive recognition is given to employees... |  |
| 9. No evidence of "chilling effect"... |  |
| 12. Independent and self-assessments are performed... |  |




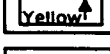

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LHC ATTRIBUTES CONTRIBUTING TO NNECo SUCCESS CRITERIA 4

Demonstrate that management can recognize and ... deal with ... HIR&D.

- | | |
|--|---|
| 3. Senior management provides training to all managers ... |  |
| 4. Members of the workforce have a sense of identity and are committed to the ...goals ... |  |
| 5. People ... treat each other with mutual respect. |  |
| 8. Incidents leading to allegations of HIR&D...rarely occur... |  |
| 9. There is no evidence that an atmosphere exists that has a "chilling effect." |  |

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OVERSIGHT OF MILLSTONE WORK ENVIRONMENT

Status Report: Continuing LHC Oversight of ECP and ECP Retaliation Investigations

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LHC OBSERVATIONS FROM CONTINUING OVERSIGHT OF ECP

- Incidents of HIRD Continue to Decrease in Number and Severity
- Resolution of High Profile Disputes Continue
- Anticipation and Prevention of Potential "Chilling Effect" Situations Has Improved
- HR Processes and Customer Based Activities Continue to Improve

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STATUS OF ECP INVESTIGATIONS OF ALLEGED RETALIATION

- **Twenty Retaliation Investigations Completed by ECP Since May 1**
 - LHC Has Reviewed 10 Investigative Files
 - Files Are Generally Markedly Improved
 - Investigators Are Following HIRD Investigative Criteria
 - Investigative Findings Are Generally Supported by the Evidence
 - Customer Satisfaction Is Improving
 - Communications Are More Customer Sensitive

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STATUS OF ECP INVESTIGATIONS OF ALLEGED RETALIATION

- **Some Files Lack Necessary Analytical Depth to Support Conclusions or Contain Commentary or Opinions by Investigator Not Tied to Investigative Findings or Observations**
- **ECP Review Process of Investigative Findings Should Be Strengthened**

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OVERSIGHT OF MILLSTONE WORK ENVIRONMENT

LHC Recommendations to NNECo: Status Report

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STATUS OF IMPLEMENTATION OF LHC RECOMMENDATIONS

- 104 LHC Recommendations
- 104 NNECo Responses Are Acceptable
- 24 Open Recommendations
- 7 Recommendations Are Closed With Monitoring Required

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OVERSIGHT OF MILLSTONE WORK ENVIRONMENT

LHC Future Activities

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FUTURE LHC ACTIVITIES

- **Monitoring of Responses to Recommendations**
- **Monitoring of ECP Files and Investigations**
- **Unit 2 Corrective Action Program**
- **Monitoring Transition Plan**

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STATUS OF A SAFETY CONSCIOUS WORK ENVIRONMENT AT MILLSTONE: LHC UPDATE

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August 27, 1998**

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AGENDA LHC PRESENTATION

- **Windows Update**
- **Status of LHC Recommendations**

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OVERSIGHT OF MILLSTONE WORK ENVIRONMENT

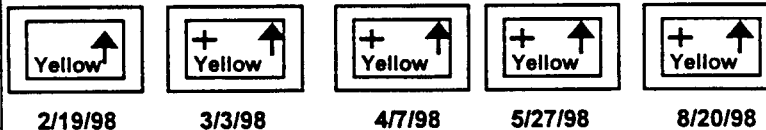
LHC Assessment of NNECo Success Criteria

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STATUS OF NNECo SUCCESS CRITERIA FROM LHC ATTRIBUTES



NNECo Success Criteria

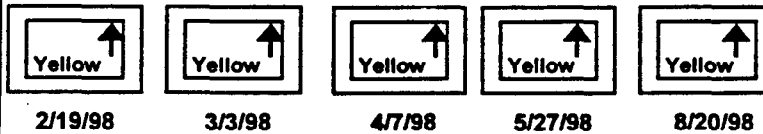
1. Demonstrate the willingness to raise concerns.

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STATUS OF NNECo SUCCESS CRITERIA FROM LHC ATTRIBUTES



NNECo Success Criteria

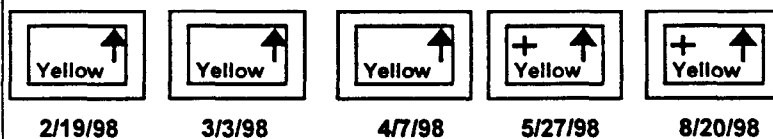
2. Demonstrate that issues are being effectively resolved by line management. (Corrective Action Program)

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STATUS OF NNECo SUCCESS CRITERIA FROM LHC ATTRIBUTES



NNECo Success Criteria

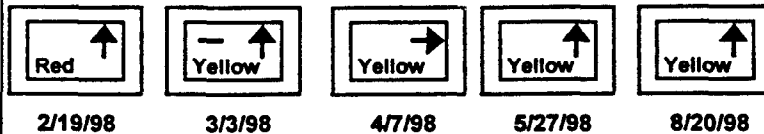
3. Demonstrate that the ECP is effective.

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STATUS OF NNECo SUCCESS CRITERIA FROM LHC ATTRIBUTES



NNECo Success Criteria

4. Demonstrate that management can recognize and effectively deal with alleged instances of HIR&D, or other circumstances which have created a chilling effect, which collectively are referred to as problem areas.

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OVERSIGHT OF MILLSTONE WORK ENVIRONMENT

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 1

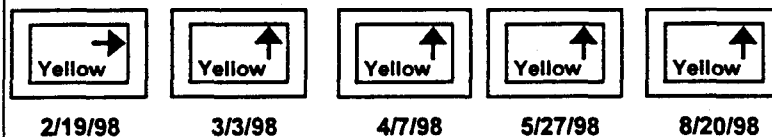
Senior management endorses a policy that places priority on nuclear safety, supports the workers' rights to raise safety issues and ensures that workers will not be subjected to harassment, discrimination or intimidation if they do so.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 2

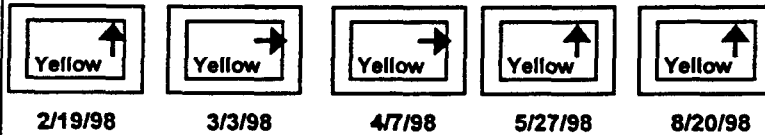
Employee perceptions of the policy and its implementation are favorable.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 3

Senior management provides training to all managers and supervisors to ensure that they understand and employ good management practices when dealing with employees who have safety concerns and do so with understanding.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 4

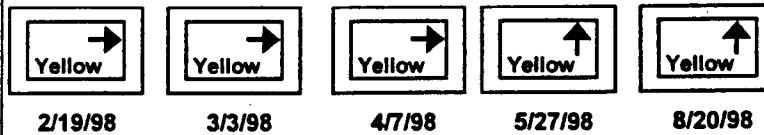
Members of the workforce have a sense of identity and are committed to the publicly stated goals and objectives of the organization, have respect for each other, communicate effectively both horizontally and vertically, and feel responsible for their own behavior.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 5

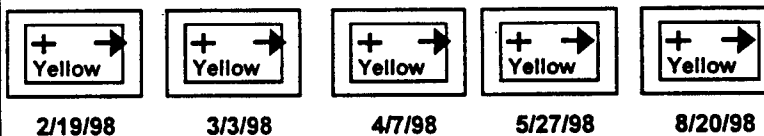
People at all levels of the organization treat each other with mutual respect.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 6

Employees exhibit a "questioning attitude" toward work and the work environment with respect to nuclear safety.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 7

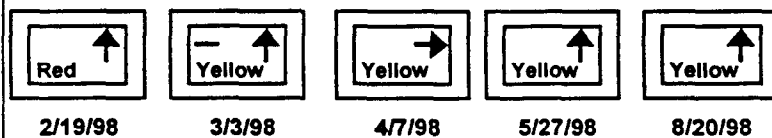
Positive recognition is given to employees who identify safety issues.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 8

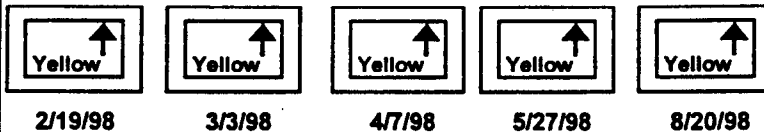
Incidents leading to allegations of harassment, intimidation, retaliation or discrimination rarely occur, and management is timely and effective in taking action for resolution and prevention.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 9

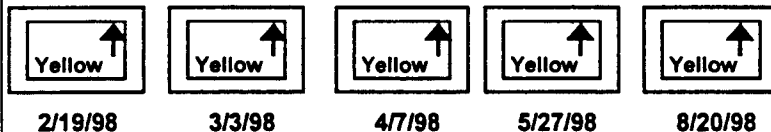
There is no evidence that an atmosphere exists that has a "chilling effect" on the willingness of employees to report safety issues.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 10

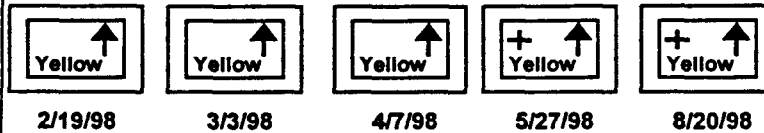
An effective and efficient corrective action program is functioning and all employees recognize the normal (and preferred method) for addressing safety issues is through the line organization.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 11

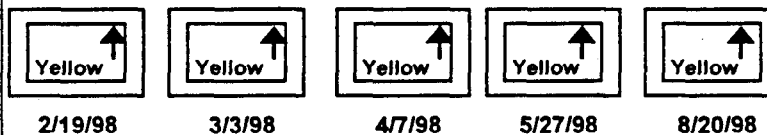
Senior management recognizes that some concerns may not be addressed through the normal line organization and has established an [effective] Employee Concerns Program (ECP) for handling such concerns.

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LHC SAFETY CONSCIOUS WORK ENVIRONMENT ATTRIBUTE STATUS



LHC Expectation 12

Independent and self-assessments are performed periodically to monitor performance and correct identified deficiencies.






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LHC ATTRIBUTES CONTRIBUTING TO NNECo SUCCESS CRITERIA 1

Demonstrate the willingness to raise concerns.

- | | |
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| 2. Employee perception of SCWE... |  |
| 6. Employees exhibit a questioning attitude... |  |
| 7. Positive recognition is given to employees... |  |
| 9. No evidence of "chilling effect"... |  |
| 12. Independent and self-assessments are performed... |  |






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LHC ATTRIBUTES CONTRIBUTING TO NNECo SUCCESS CRITERIA 4

Demonstrate that management can recognize and ... deal with ... HIR&D.

- | | |
|--|---|
| 3. Senior management provides training to all managers ... |  |
| 4. Members of the workforce have a sense of identity and are committed to the ...goals ... |  |
| 5. People ... treat each other with mutual respect. |  |
| 8. Incidents leading to allegations of HIR&D...rarely occur... |  |
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